

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Director of Finance  
1212 Key Bldg.

EXTENSION

NO.

DATE

13 January 1969

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for  
Support  
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14 Jan 69

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14 JAN 1969

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Critical Review of Office Operations

REFERENCE : Memo to D/Finance fm DD/S, dtd. 21 Nov. 1968,  
Same Subject

1. As a result of recent evaluations of organizations and functions in connection with reorganization of the Office of Finance, we have taken a major step toward clarifying functional responsibilities, improving our base for more efficient and effective support and otherwise attaining the objectives of the review requested by reference. In addition, continuing audits by the Audit Staff and critical reviews by others during the past year have given impetus to efforts to improve operations. These reviews have included:

- a. Report of Survey of Office of Finance by Inspector General - November 1967
- b. Report of DDS Task Force to Review Requirements Placed on Field Finance Officers - 6 March 1968
- c. Audits by Audit Staff covering:
  - (1) General Ledger Accounts (Accounts Division) - 31 August 1967
  - (2) Industrial Contract Audit Division - 31 March 1968
  - (3) Monetary Division - 31 July 1968
  - (4) Compensation and Tax Division - 30 Sept. 1968

2. As a further effort to identify and pinpoint areas of potential improvement in financial operations, by memorandum dated 15 October 1968 (Tab A) we solicited suggestions from SF personnel throughout the Agency. In reply we received twenty-eight (28) memorandums presenting fifty-five (55) suggestions for our consideration. The scope and nature of the suggestions are indicated by the categorization which appears under Tab B. A Task Group has been established to review and evaluate each suggestion received. Some are nominal and routine and can be handled very quickly, others involve basic principles and procedures and will require considerable effort and time before their usefulness can be judged. Each suggestor

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will ultimately receive advice as to the action on his suggestion and, where such action appears warranted, a suggestion award will be recommended under the Agency Suggestion Awards Program.

3. As a further step in our review of operations, and to assure that our efforts are comprehensive and complete, each Division and Staff of the Office of Finance has been directed to establish an Operations and Review Committee, which Committee is to undertake a critical review of every function and unit of the Division or Staff (Tab C). The Task Group referred to under paragraph 2. above is responsible for coordinating the plans and efforts of the individual Committee. This effort is presently underway and we expect it to be a most useful and worthwhile effort.

4. I believe we are on the right track toward achieving a more efficient and effective operation. The response and enthusiasm with which our efforts have been met by SF personnel generally reflect a positive and constructive approach which is bound to be productive. I will keep you informed of the significant developments in our effort. In the meantime, I will be glad to furnish any specific detail you desire.

	L. E. BUSH ector of Finance	

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15 OCT 1968

**MEMORANDUM FOR:** (50) Key SF Officers  
See Distribution

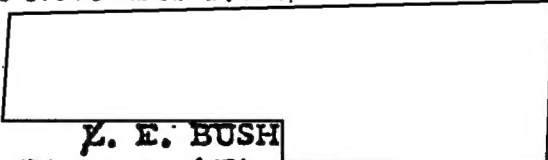
**SUBJECT : Plans and Objectives - Office of Finance**

1. In connection with both short range and long range planning, we are attempting to define and clarify our objectives, identify the tasks and work assignments required to attain these objectives, fix realistic target dates for the accomplishment of these tasks, and delegate appropriate authority and responsibility to components or individuals concerned with the attainment of these objectives.

2. We feel sure that there are many SF careerists who can contribute positive worthwhile ideas and suggestions in connection with shaping our objectives and defining and planning the work tasks required for implementation. We would like to get as wide a participation as possible in this planning exercise, and would welcome any positive contributions you may care to make. Attached as Tab A is a tentative list of "objectives" for consideration. This list is neither all inclusive or completely definitive, we therefore ask that you add to this list any objectives or tasks which you think appropriate or give us your comments or suggestions on the items listed. Attached as Tab B is a suggested format which may be used in presenting your suggestions.

3. In addition to your own ideas we urge you to seek ideas and suggestions from all members of your staff and incorporate them with your own or submit them as separate attachments.

4. We would appreciate receiving any ideas or suggestions you may have to offer on or before 15 November 1968.

  
**Z. E. BUSH**  
Director of Finance

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declassification

TENTATIVE LIST OF OFFICE OF FINANCE OBJECTIVES

1. Arrange for the completion of the comprehensive "Actuarial Study" of the CIA Retirement and Disability Fund, as required by statute.
2. Complete the refinement, coordination, and publication of a regulation Handbook of financial management standards pertaining to Agency proprietary activities.
3. Work with the "Contracting Officer", Office of Personnel, and DD/P Area Divisions and Staffs with a view to clearly defining benefits and entitlements in contracts in a manner designed to facilitate and simplify the financial and general administration of such benefits.
4. Develop an Office of Finance Instruction or Handbook defining the policies, practices and procedures applicable to inter-Agency financial liaison, and the handling of various types of inter-Agency financial transactions.
5. Devise ways and means of improving communication, and the flow of ideas and suggestions, between Office of Finance Division and Staff Chiefs, and SF careerists in Area Divisions, at decentralized locations, overseas, etc.
6. Explore the practicability of transferring financial tasks or functions from field stations to Headquarters, where feasible, to provide needed relief to stations resulting from BALPA reductions. Exploration and review should include, but not be limited to:
  - a. Reviewing the practicability of Class A Station submission of a chronological listing of expenses, which would be broken down by object class, etc., at Headquarters, in lieu of submission of present Schedule E.
  - b. Review of Class B Station reporting format with a view to determining the feasibility of devising methods whereby  offices at Hdqts. may correct, refine, and authenticate data for direct input into the computer.
  - c. Implement procedures for payrolling overseas WAE employees at Hdqts. in cases where desired and practical.

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- d. Review all financial and finance related field reporting requirements to determine feasibility of minimizing or simplifying such requirements.
7. Devise in cooperation with Office of Logistics, PPB, and others concerned a simplified system for handling the budgeting, obligation, payment, and reporting of cargo expenses.
8. Develop an Office of Finance Instruction or Handbook containing standards and procedures for operation of the newly created  of the Office of Finance.
9. Review and update, revoke, or modify as required, Office of Finance Instructions, Notices and related internal procedures or manuals.
10. Study ways and means of improving the systems, procedures, and practices pertaining to the authorization, audit, and payment of travel and transportation entitlements of overseas and domestic travelers. Including but not limited to the following:
- a. Explore the possible advantages of preparing and publishing a "Travel Handbook" designed to inform the traveler of his entitlements, with sample forms of typical travel orders, vouchers, etc., and answers to typical questions most frequently asked by travelers.
- b. Explore the feasibility of "expensing" the PCS transportation costs (purchase of tickets) made at Hdqts. for travelers proceeding overseas, in lieu of T/Aing such costs to field stations.
- c. Clarify procedures pertaining to the handling of  transportation costs.
- d. Revise and refine the system and procedures pertaining to the monitoring of refunds due from travelers for excess weight charges for personal household effects,
11. Work with the Office of Logistics, DD/S&T and others concerned with devising and installing a comprehensive system for "contract

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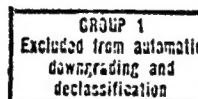
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administration", to facilitate negotiation, execution, administering, testing, auditing, and payments pertaining to R&D contracts.

12. Work with the Office of Personnel, General Counsel, and Medical Staff to eliminate the inconsistencies and ambiguities contained in present regulations pertaining to payment of entitlements for employee and dependent medical benefits.
13. Conduct a continuing review and analysis of the work processes involved in creating, maintaining, utilizing, and reporting financial data and adapt work processes to computer application whenever this would result in providing better data needed for management or control purposes, or result in savings in man power. Attachment I to this paper lists 17 specific work processes for adaptation to Automatic Data Processing (ADP).
14. Expand and refine the services now being performed by the Office of Finance in the field of "Financial Analysis", in order to highlight for management and planning officers the significance of data contained in financial reports.
15. Complete a narrative history of the Office of Finance and develop monographs on historically significant aspects of Agency financial operations.
16. Review, in coordination with Agency Records Management Officers, the system(s) for filing, retrieval, retirement, and destruction of Agency financial records, with a view to identifying and segregating records available for retirement and/or destruction.
17. Review, with a view to strengthening, the system for planning and implementing SF Career Service personnel rotations, competitive evaluations, training, and promotions.
18. Establish criteria to be used in implementing "accrual accounting" in compliance with requirements set forth in Bureau of the Budget Circular 68-10 and provide for any necessary and appropriate changes in the Agency's financial accounting and reporting systems.

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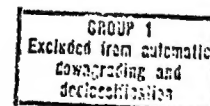


TENTATIVE LIST OF ADDITIONAL  
ADAPTATIONS OR APPLICATIONS  
OF AUTOMATIC DATA PROCESSING

Establish machine techniques and procedures with appropriate integration between the Human, Materiel and Financial Resources Systems which will:

1. Permit using the Fed/Mil strip number for identifying obligations and account payables in the Financial Accounting System.
2. Permit the recordation, aging and subsequent clearance of amounts paid to employees that are subject to refund unless certain requirements are satisfied, (such as Home Transfer Allowance, external training, etc.).
3. Permit the establishing or changing office locations codes for employees' advance account "header cards" by using data in the Human Resources System.
4. Permit (1) daily recording and reporting of transactions affecting Office of Finance controlled bank accounts, (2) prepare monthly schedules by bank accounts showing number of payment transactions and deposits processed for the month, total dollars deposited, total dollars disbursed, (3) maximum and minimum balance, (4) average daily balance, and ratio to monthly disbursements and (5) listing of accounts with balances below prescribed minimum.
5. Permit mechanization of the detail transactions and reporting for the Property Requisitioning Authorization Control record. 25X1
6.
7. Establish files that will permit the mechanical preparation of Form W-2's for Agent-Personnel scheduled to receive W-2's at year end.
8. Automate the scheduling of insurance (WAEPA, UBLIC, etc.) and Credit Union deductions against salaries of employees on Confidential Funds.

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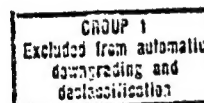
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9. Compute the salary for staff employees transferred to or from Confidential Funds rolls in the middle of a four-week pay period.
10. Provide a monthly listing of personal services contracts expiring within next 60 days.
11. Permit automatic cutoff of FICA deductions when maximum annual accumulation is reached for personnel on the Confidential Funds payrolls.
12. Provide a monthly listing of detail transactions more than 90 days overdue in Accounts 1473 - Compensation and Allowance Payment
13. Provide for machine maintenance of leave records for personnel paid from Confidential Funds.
14. Permit the capture of pertinent pay data by paper tape for updating the master pay files at the time contracts are prepared for contract agents and contract employees.
15. Provide for the automation of Civil Service Commission's Form 2806- Retirement Record.
16. Provide for the maintenance of payee name and address file for printing such on U. S. Savings Bonds when issued.
17. Provide for full maintenance of the CIARD general ledger subsidiary accounts and the preparation of the annuitant monthly pay schedule.

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TAB "B"

TASK WORK SHEET

OBJECTIVE: (Describe briefly the objective to be attained, the problem to be solved, or the improvement desired)

TASK(S): (Identify the task(s) or work processes, i. e., staff studies, systems reviews, regulation changes, ADP adaptations, etc., required to implement or attain objective)

REMARKS OR EXPLANATION:

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declassification

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3 DEC 1968

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting on the Plans and Objectives of the Office of Finance

1. The second meeting on the Comprehensive Plans and Objectives of the Office of Finance was held on Tuesday, 3 December 1968 at

[REDACTED]

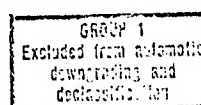
unable to attend.

2. A tentative list of the assignment of objectives to (a) Financial Operations, (b) Accounts and Audit, (c) Financial Liaison and Planning and (d) General Management and Personnel were presented to each participant and after discussion it was determined that each of the four lists should be reviewed and listed in the following categories:

1. Financial Property Accounting
2. Financial Reporting
3. Travel
4. Payroll and Allowances
5. Contract Administration
6. Records Management
7. History of Office of Finance
8. Disbursing Processes
9. Inter-agency Liaison
10. Financial Analysis Services
11. Personnel Management
12. Improvements in ADP Adaptations
13. CIA Retirement
14. Out-processing clearance Procedures
15. Transfer of Financial Task from Field to Hdqtrs.
16. Devising, updating and publishing Procedures
17. Accounting and Systems Improvements
18. General

[REDACTED] will prepare the list on Financial Operations, and prepare the list for Financial Liaison and Planning.

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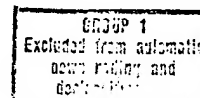
The list for Accounts and Audit and General Management and Personnel  
will be prepared by [ ] They will have an informal session  
regarding the revised list prior to reconvening with [ ]

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16 December 1968

MEMORANDUM FOR: Staff and Division Chiefs, Office of Finance  
SUBJECT : Critical Review of Office Operations

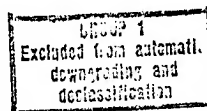
1. In our recent evaluations of organization and functions, we have taken a major step toward clarifying functional responsibilities and improving our base for more efficient and effective financial support. In the process we identified a number of areas which seemed to warrant further examination. Our recent solicitation of suggestions for improvement of finance procedures has also resulted in identifying a number of areas and procedures which appear to represent opportunity for improving finance procedures and support. A Task Force Group has already initiated action to obtain evaluation of these proposals and arrange implementation of those determined practical and advantageous.

2. In a memorandum dated 21 November 1968, the Deputy Director for Support emphasized the importance and need for all offices to conduct critical reviews of their operations on a systematic and organized basis. Specifically, he requested "that each office conduct a critical review of its component divisions and branches considering the following:

a. Functional responsibilities--are they clearly defined, are there conflicts with other components, are the employees fully aware of their responsibilities, and should these be reallocated or consolidated within the component or with another component?

b. Are the procedures, practices, records, and forms utilized necessary and responsive to the functional requirements? Is there unnecessary duplication or unnecessary recording of existent information? Are the reporting requirements justified on a present-day basis or are they a carry-over from the traditional past?

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c. The suggestions and opinions of the employees of the component should be solicited as to better and more efficient ways of doing the job."

3. As a result of action taken in recent months, we are well along toward achieving the objectives desired by the DD/S. As a further step, however, and to assure that our efforts are comprehensive and complete, each office is requested to currently undertake a critical review of its operations. The review should encompass every function and unit of the office and should consider elements cited above. To provide a focal point of responsibility for planning and conducting the review, it is requested that each Division Chief establish an Operations Review and Evaluation Committee comprised of three employees, at least one of which is a relatively new professional employee at the GS-11 or lower level. Also, each employee should be encouraged and be given a full opportunity to contribute to the review.

4. The Task Force Group established to review and coordinate evaluation of recommendations relating to comprehensive plans and objectives of the Office of Finance will serve as the focal point for advice, guidance and coordination of the Operations Review and Evaluation Committees. Plans and programs for the review of individual units and functions will be coordinated with the Task Group.

5. I am not setting a deadline date for completion of the review, but I do expect that each office will initiate action promptly and treat the review as a matter of priority to be completed early in the new year.

[Redacted Signature Box]  
[Redacted Initials Box] L. E. BUSH  
Director of Finance

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